

Howard County, Maryland
Watershed Protection and Restoration Fund
Annual Report to the County Council
March 1, 2015



Office of Environmental Sustainability
Department of Public Works
Department of Finance

www.cleanwaterhoward.com

FY 14 Watershed Protection and Restoration Fund Report

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1. Background

Efforts to clean up the Chesapeake Bay watershed have been underway for the better part of the last 35 years. For most of that time the activities were undertaken on a voluntary basis; however, over the last 15 years the United States Environmental Protection Agency (EPA) and Maryland Department of the Environment (MDE) stepped up the effort by mandating clean up goals in the form of Municipal Separate Stormwater Sewer System (MS4) permits and more recently with the adoption of Total Maximum Daily Loads (TMDL's) and corresponding Watershed Implementation Plans (WIP). Each jurisdiction has been charged with implementing programs that, based on science and modeling projections, will meet clean-up goals by 2025. These new MS4 mandates could not be met with historic program expenditures and therefore a significant infusion of new funds was necessary to reach the goals in the required timeframe.

Before these latest mandates, Howard County, like most jurisdictions in Maryland, had a respectable stormwater management program underway. However, the level of effort fell short of the activity necessary to meet the new permit requirements. Recognizing the need for increased funding, the County considered implementing a stormwater fee as part of the FY 12 budget. However, after reviewing the complexity of the effort and the limited timeframe in which to do it, the County Executive instead chose to jump-start the program with an increase of capital program funding from \$3 million to \$10 million while also setting aside funding to hire a consultant to assist in the development of a comprehensive stormwater service fee.

In the late summer of 2011, AMEC, Inc was hired to assist the County in the creation of a stormwater fee. Soon after, a new position of Stormwater Manager was added to the Office of Environmental Sustainability (OES) to guide policies and practices associated with an expanded stormwater program. Research, data collection and stormwater program assessment began in earnest in Fall 2011 and continued through the winter with the expectation that a stormwater fee proposal would be presented to the County Executive for consideration in the FY 14 budget.

Midway through the County's fee program effort, the Maryland Legislature passed HB 987, which required the ten Phase 1 MS4 Stormwater Permit jurisdictions to adopt a funding mechanism no later than July 1, 2013. Fortunately Howard County was well along the way in the development of a fee and despite some necessary changes in direction due to the requirements of HB 987, county staff, with the assistance of a resident-based Stormwater Advisory Committee, evaluated all the program needs, calculated anticipated costs, and developed a utility fee structure to meet our financial obligations in a manner that was believed to be fair and equitable to all community sectors.

In January 2013, legislation was introduced that defined the mechanisms to charge a watershed protection fee to all property owners in Howard County. After considerable discussion, in March 2013, the Watershed Protection and Restoration Fund (WPRF) was adopted by the County Council. However, based on a subsequent concern about the impact on the residential sector, in May 2013, at the request of the County Executive, amendments were introduced to modify the charge to the residential parcels. In July 2013, amendments to the fee were adopted by the County Council that reduced the charges from the residential sector. The first billing was included on the December 2013 property tax bill to both residential and non-residential property owners.

Watershed Protection and Restoration Fee Program Fundamentals

Fee Calculation

Residential Fee

Condo and Townhome -\$15 per unit
Single Family Home .25 acres or less - \$45
Single Family Home greater than .25 acre - \$90
Apartment Complex - \$15 per unit

Residential Hardship

60% credit if household income is less than 2.5 times the poverty level

Commercial Fee

Calculated based on impervious surface area in units of 500 square feet

Fee = Number of Units x \$15

Commercial Cap

If fee is greater than 20% of total tax bill then pay 20% of tax bill

If after 20% adjustment the fee is greater than \$1,000 and owner proves financial hardship then fee maximum is \$1,000

For FY14 only – if the fee is greater than \$10,000, property owners pay either 50% of the fee or \$10,000, whichever is greater (after 20% cap is applied)

Non-Profit

If an organization enters into partnership Memorandum of Understanding (MOU) with the County agreeing to allow the County assessment of treatment options to the maximum extent practicable (MEP), and agrees to implement the identified practices, then 100% of fee is waived

Need-based grants are available to assist with, or fully cover, the cost of implementing practices

If an organization does not agree to MOU or later opts out of the partnership, then the fee is calculated at regular commercial rate

Agricultural Assessments

Residential rate at \$90 if property has a Howard County Soil Conservation District (HCSCD) Conservation Plan or owner has signed MOU agreeing to pursue Conservation Plan

Without Conservation Plan, property is billed at the \$15/500 ft² rate

Credits

Residential Credits

A flat 20% credit is awarded provided minimum impervious area is treated as follows:

\$15 fee – 250 ft² \$45 fee – 500 ft² \$90 fee – 1,000 ft²

Credit application charge is \$75 and is refundable if the credit is granted

Commercial

If Site Development Plan (SDP) is dated after January 2003 and certifies that all stormwater management systems are in place and functional, property owners receive a 50% credit toward the base fee – no further credit is possible

For other properties, additional impervious area treatment under MDE design manual standards is credited by square feet treated x .5

Non profit

For nonprofit properties that do not participate in the MOU program, the percentage credit is awarded equivalent to the stormwater treated on-site

Reimbursements

One-time reimbursements for costs incurred for the construction or implementation of additional stormwater practices are available for all properties. The practices accepted, the minimum criteria required, and the reimbursement rates will vary and are defined by County Council Resolution.



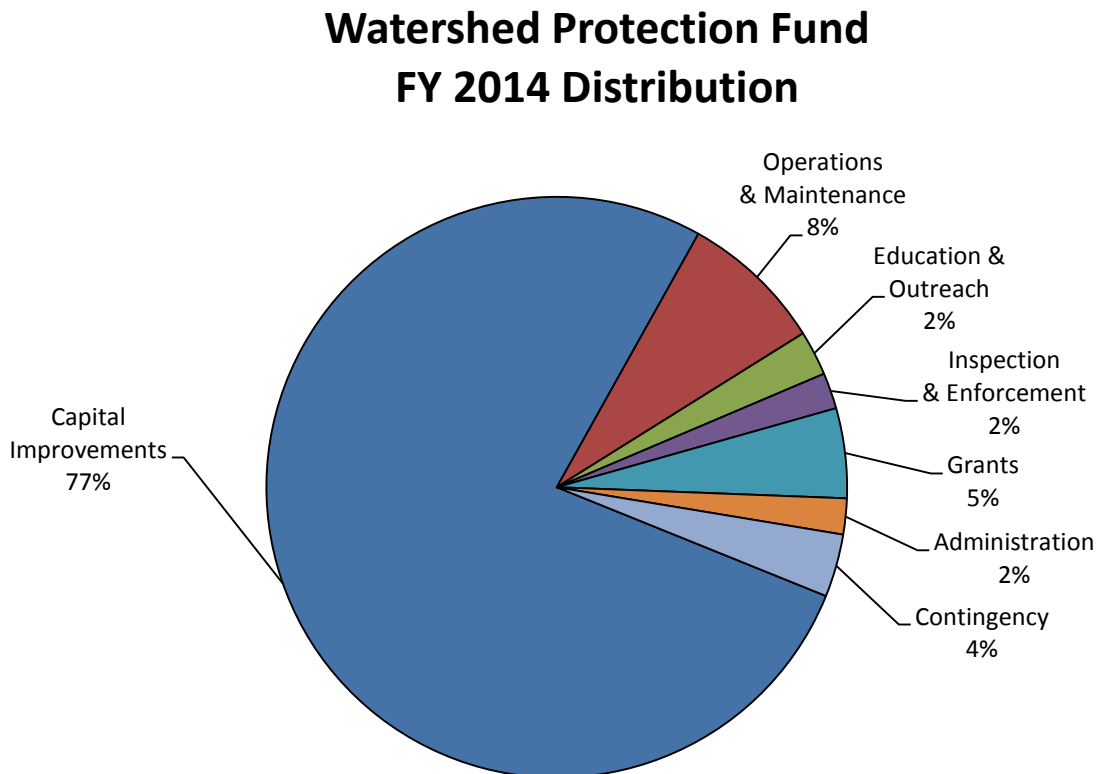
2. Watershed Protection and Restoration Fund Report as required by Environment Article of the Maryland Code, subsection 4-202.1 (i) (Dated 7/1/2014)

The information provided below is the initial report of the Howard County WPRF required under the Maryland Environmental Article of the Maryland Annotated Code.

The fiscal reporting year ended on June 30, 2014 and this summary was required on July 1, 2014. Due to the short turnaround time, some of the fiscal data for FY 14 was not available. More detailed information will be available in an annual report to the County Council due on March 1, 2015, and each succeeding year, as well as in the annual reports required by the Maryland Code.

For Fiscal Year 2014, 92,989 properties were subject to WPRF. The amount deposited to the fund was \$10,376,000.

All of the \$10,376,000 has been budgeted and the majority has been encumbered for authorized purposes. Detailed information on expenditures will be provided in a report to the County Council on March 1, 2015. Below are percentages budgeted for authorized purposes in the County's FY 14 budget.



3. Financial Data

Fee Collection – provided by Howard County’s Department of Finance

\$10,282,421.52 - Imposed overall fee (net of all credits) for FY 2014

\$23,595.70 - Amount delinquent as of year-end 6/30/2014

\$16,688.75 - Amount still due for the FY 14 billings as of 2/2/15

Personnel Complement Funded by the Watershed Protection and Restoration Fund

Office of Environmental Sustainability – 3 positions

- Stormwater Management Coordinator
- Planning Specialist II
- Administrative Aide

Department of Public Works, Stormwater Management Division – 5 positions

- Engineering Specialist III
- Engineering Specialist II
- Planning Specialist II
- Regulation Inspector II
- Regulation Inspector I

Department of Public Works, Highways – 4 positions

- Motor Equipment Operator II
- Motor Equipment Operator I (3)

Comprehensive Annual Financial Report Fiscal Year 2014

Howard County, Maryland Combining Statement of Revenues, Expenses and Change in Net Position Enterprise Funds June 30, 2014

	Watershed Protection and Restoration	Special Recreation Facility	Total
Operating revenues:			
User charges	\$ 10,272,437	-	10,272,437
Greens and cart fees	-	1,428,456	1,428,456
Range fees	-	105,083	105,083
Merchandise	-	115,919	115,919
Food and beverage	-	334,183	334,183
Miscellaneous sales and services	28,458	26,064	54,522
Total operating revenues	10,300,895	2,009,705	12,310,600
Operating expenses:			
Salaries and employee benefits	439,538	-	439,538
Contractual services	651,726	1,570,610	2,222,336
Supplies and materials	6,284	-	6,284
Business and travel	125	-	125
Share of County administrative expenses	999	-	999
Other administrative	129,811	-	129,811
Depreciation expense	3,806	41,565	45,371
Total operating expenses	1,232,289	1,612,175	2,844,464
Operating income	9,068,606	397,530	9,466,136
Nonoperating revenues (expenses):			
Interest on investments	1,976	447	2,423
Interest expense	-	(119,351)	(119,351)
Other, net	-	(130,439)	(130,439)
Total nonoperating revenues (expenses)	1,976	(249,343)	(247,367)
Net income before contributions and transfers	9,070,582	148,187	9,218,769
Transfers in	-	30,000	30,000
Transfers out	(7,375,000)	-	(7,375,000)
Change in net position	1,695,582	178,187	1,873,769
Net position - beginning	-	5,515,421	5,515,421
Net position - ending	\$ 1,695,582	5,693,608	7,389,190

The accompanying notes are an integral part of these financial statements.

SWM Division Projects Charged to Watershed Protection and Restoration Fund			
As of January 24, 2015			
Project	Description	WPR Fund Total	% Spent
2-D Flood Study	Perform 2-D floodplain modeling for downtown Ellicott City	\$222,307.37	95%
Savage Library WQ Concept	Concept design for water quality site improvements	\$75,000.00	90%
Bill Lilly Construction	Repair/replace existing pond riser/barrel - construction	\$240,439.50	90%
Shadow Lane Dredging Construction	Repair/replace existing pond plus dredge sediment built up in the pond	\$718,740.23	100%
Ellicott City Parking Lot B WQ Design	Ellicott City parking lot B water quality design	\$19,197.32	92%
Savage Library WQ Final Des	Final design for water quality site improvements	\$140,000.00	100%
D&F Construction	Parking Lot B construction (porous pavement)	\$107,986.71	100%
Stone Trail Ct Stream – Construction	Stream restoration construction	\$876,060.72	96%
Pinehurst Court Design	Stream restoration design	\$191,532.63	82%
Parking Lot E Final Design	Ellicott City parking lot E final design	\$130,000.00	96%
Rockburn Branch Park LID Retrofit Study and Design	Design for new bioretention to treat existing parking lot	\$69,315.05	75%
Parking Lot D Concept Design	Ellicott City Parking Lot D concept design	\$45,600.00	47%
Dayton Shop Design	Repair/replace existing pond riser/barrel - design	\$38,494.24	86%
Whiterock Ct Stream – Construction	Stream restoration construction	\$330,958.68	99%
Tiller Drive 2 Construction	Stream restoration construction	\$206,852.32	100%
Red Hill & Meadowbrook Monitoring 2014	Field monitoring and reporting to support Chesapeake Bay Trust Fund grant projects	\$134,885.00	38%
Savage Library WQ Construction	Construct water quality improvements at the site	\$725,000.00	100%
Wetherburn Construction	Repair/replace existing pond riser/barrel - construction	\$222,893.69	100%
CDCI Lot E Caisson Construction/Rock Removal	Ellicott City parking lot E - caisson construction and rock removal	\$373,858.51	69%
Lot F Concept Design	Ellicott City Parking Lot F concept design	\$28,800.00	98%
Lot E Site Prep Work	Initial grading to prep Ellicott City Lot E for the caisson construction	\$134,277.98	100%

Wimbledon Construction	Repair/replace existing pond riser/barrel - construction	\$253,526.54	100%
Quaker Mill Pond Concept	Concept for water quality retrofit of existing pond	\$8,704.96	100%
Angelas Valley Construction	Repair/replace existing pond riser/barrel - construction	\$244,299.77	100%
Rhode Valley Construction	Repair/replace existing pond riser/barrel - construction	\$238,465.96	100%
NPDES Geodatabase Development Phase 2	Development work for geodatabase needed to support NPDES permit	\$270,356.00	50%
Lot E - Caisson Constr. Management	Ellicott City parking lot E - caisson construction and rock removal - construction management	\$39,100.00	70%
Lot E - Bagha Plat Revision	Prepare plat needed to acquire property needed for Ellicott City parking lot E project	\$6,918.80	0%
Woodlot Road Stream Design	Stream restoration design	\$141,201.96	33%
Emily Fox Ct Pipe Replacement Construction	Repair/replace existing pond riser/barrel - construction	\$251,688.74	100%
BGE - Pole Relocation	BGE - pole relocation for Ellicott City parking lot E project	\$47,487.00	0%
Wilde Lake HS Retrofit Construction	Construct water quality improvements at existing site	\$725,000.00	98%
BGE - Guywire Relocation	BGE - guywire relocation for Ellicott City parking lot E project	\$4,125.00	0%
Old Mill Construction	Repair/replace existing pond riser/barrel - construction	\$269,511.56	65%
Towering Oaks Construction	Repair/replace existing pond riser/barrel - construction	\$212,076.57	63%
Ellicott Mills Bump-out Concept	Concept for one bioretention bump-out on Ellicott Mills Road	\$37,341.93	13%
Lot E Phase 2 Construction	Ellicott City Lot E site construction	\$576,380.09	27%
Lot E - Phase 2 CM	Ellicott City final site work construction management	\$53,650.00	10%
Southview Road Construction	Stream restoration construction	\$99,821.45	21%
Red Cravat Construction	Repair/replace existing pond riser/barrel - construction plus dredge sediment built up in the pond	\$994,689.98	15%
Glenshire Construction	Repair/replace existing pond riser/barrel - construction	\$456,740.77	0%
Northgate Woods Construction	Repair/replace existing pond riser/barrel - construction	\$226,530.41	0%
Bonnie Branch Stream Feasibility Study	Concept design for stream restoration project	\$18,711.92	28%
Southview Road CM	Stream restoration construction management	\$135,773.95	4%

Pinehurst Court Stream Restoration Construction	Stream restoration construction	\$284,425.93	0%
Pinehurst Court Stream Restoration CM	Stream restoration construction management	\$89,544.26	0%
	TOTAL	\$10,718,273.50	
	TOTAL FY 14	\$6,486,462.68	
	TOTAL FY 15	\$4,231,810.82	
NOTE:			
This table represents WPRF expenditures to-date and breaks out the values by FY14 and FY15 based on purchase order issuance date.			
Some purchase orders also have money allocated from the General Fund. This table is solely for the WPRF			
This table only covers items for which a purchase order was issued. It does not cover items like the READY grant.			



4. Incentive Reimbursements and Credits

If stormwater best management practices (BMP) are constructed on a property and meet the design criteria outlined by MDE, a reimbursement for costs up to 50% of the total (with a maximum amount) is given to the owner. An owner must fill out an application and the site is inspected for validation of design. There is a reimbursement program for both residential and non-residential property owners.

In addition, any property owner that has installed a BMP is eligible for a credit against the fee. For residential parcels this amounts to a flat 20% credit. For non-residential parcels the credit is calculated based on the percent of impervious area treated up to 50% of the total fee. For non-residential parcels with a SDP post-2003 the credit is an automatic 50% given they have met the strictest MDE design standards.

FY 14 Residential Reimbursements

- 49 reimbursement applications received
- 33 reimbursements were granted (83.7%)
- \$13,699.03 total issued to property owners
- 14,631 ft² impervious area treated

FY 14 Residential Credits

- 25 Credit Applications received
- 15 Credits granted (60%)
- \$261 in credit issued
- 3,123 ft² impervious area credited

FY 14 Non-residential Reimbursements

- No applications were received

FY 14 Non-residential Credits

Pre-2003 SDP

- 23 Applied
- 15 Approved

Post-2003 SDP

- 53 applied
- 49 Approved

For agriculturally assessed properties a credit is awarded for any parcel that is managed by a Water Quality and Conservation Plan, prepared by the HCSCD; or a Forest Conservation Plan approved by the Maryland Department of Natural Resources (DNR).

- 724 Agricultural Properties are credited with Conservation Plans

Non-profit parcel owners are offered the opportunity to join in partnership with the County allowing the County to assess the potential for on-site impervious area treatment. If a property owner joins the partnership his/her fee is reduced to \$0 from that date forward – unless he/she at some point in the future opts out of the partnership at which point they will be charged the non-residential rate, currently \$15/500 ft² of impervious area.

- 110 non-profit partners are currently in the partnership, totaling over 200 parcels.
- 12 parcels require no further action as they are post-2003 SDP
- READY crew has built rain gardens on 36 properties, 12 require no further action
- The Center for Watershed Protection has a DNR grant to construct BMP's on 3 parcels
- RFP to be issued in Spring for \$2 million in funds to design and build non-profit BMP's

5. Adjustments

As defined by the County Code, all parcel owners are entitled to submit a request for adjustment to the WPRF for one or more of the following reasons:

- Identification of the owner invoiced is in error
- Error regarding the impervious surface measurement for non-residential parcels
- Mathematical error in calculating residential lot size
- Mathematical error in calculating the fee on non-residential properties

There were a total of 101 requests for adjustment. An adjustment committee comprised of staff from the Department of Finance, GIS, the Office of Law, OES and HCSCD reviewed each request.

- 52 requests granted
- 49 requests denied
- 0 appealed to the Board of Appeals

The majority of granted requests were on the grounds of an error in billing or data. Denials were typically based on erroneous applicant information concerning impervious area or lot size.

The number of adjustment requests is expected to drop significantly over the next few years as community education increases and billing data errors are addressed.

6. Fee Assistance and Hardship

The Department of Finance administers a fee assistance program to aid residential property owners. Currently there are 204 Hardship Credits totaling \$6,756.00

Hardship Credits criteria for non-residential property owners are defined under Section 20.1109 9(c). Two applications for non-residential hardship were reviewed by committee (OES, Department of Finance, and Office of Law). Neither presented any substantive data as required by law to support their claim. Both applications were denied.

7. Recommendations

- Consider increase in residential credit above existing 20% to create greater incentive to construct on-site runoff controls
- Classify mobile homes similar to apartment units and charge mobile homes at \$15/unit
- Remove requirement for \$75 application fee for residential credit

